

APPENDIX III-2

FORM HUD 11709 - MASTER AGREEMENT FOR SERVICER'S PRINCIPAL AND INTEREST CUSTODIAL ACCOUNT

Applicability: Ginnie Mae I MBS Program and Ginnie Mae II MBS Program.

Purpose: To evidence the establishment or existence of a master principal and interest custodial account for the deposit of sums payable under mortgages pooled for, and guaranteed by, Ginnie Mae in connection with MBS, that all deposits made therein by issuers are subject to draft or check by Ginnie Mae, and that all such amounts shall be payable to Ginnie Mae on demand and without notice.

This agreement covers each pool or loan package that is (a) covered by a Schedule of Subscribers and Ginnie Mae Guaranty Agreement (or Schedule of Subscribers and Ginnie Mae Guaranty/Contractual Agreement), form HUD 11705 (Appendix III-6), that identifies the bank account covered by this agreement as the P&I Custodial Account that will be used for such pool or loan package or (b) included on a list attached to this agreement pursuant to Instruction 5, below.

Prepared by: Issuer and custodial bank.

Prepared in: Original. Issuer and custodial institution shall maintain copies as desired.

Distribution: Original forwarded by issuer to qualified bank, savings and loan association, or credit union, which will certify to the existence of the custodial account by inserting the account number and signing and returning the original to the issuer. The issuer must then forward the original to the PPA.

Completion

Instructions: The circled numbers on the illustrated form correspond with the numbers listed below.

1. Check the appropriate box.
2. ABA/Federal Routing Number of the financial institution that maintains the issuer's principal and interest custodial account(s) for the corresponding pools or loan packages.
3. Date form is prepared by issuer.
4. Full legal name and street address of bank or credit union. If funds are held in branch, give that address.
5. A list of pools and loan packages must be attached to this agreement whenever the array of pools and loan packages that the applicable P&I Custodial Account is used for is to be changed other than as a result of the submission of a new pool.

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6. Check the appropriate box. If the issuer uses a separate “disbursement account” for receipt and payment of funds, such account must be covered by a separate form HUD 11709. The disbursement account must be used exclusively for funds related to Ginnie Mae securities.
 7. Full legal name of issuer.
 8. Issuer ID number that has been assigned by Ginnie Mae (if not yet assigned, leave blank).
 9. Signature and title of authorized officer whose name appears on Resolution of Board of Directors and Certificate of Authorized Signatures, form HUD 11702 (Appendix I-2).
 10. Number assigned by bank or credit union for this account.
 11. Signature of an authorized officer of the bank or credit union.
 12. Title of authorized officer signing (11) above.
 13. Date account is established.

Note: The financial institution that maintains the principal and interest custodial account established in accordance with this Master Agreement must meet the requirements mandated in this Guide. (See Section 16-8 of the Ginnie Mae MBS Guide and Section 5.01 of the applicable Guaranty Agreement (Appendices III-15 through III-20 and III-23 through III-26 of the Ginnie Mae MBS Guide)).

Master Agreement for Servicer's Principal and Interest Custodial Account

U.S. Department of Housing
and Urban Development
Government National Mortgage Association

OMB Approval No. 2503 - 0017 (exp. 7/31/99)

Public reporting burden for this collection of information is estimated to average 2 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

The information is required by Sec. 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3.

<input type="checkbox"/> Initial ① <input type="checkbox"/> Renewal	P & I Bank ID Number(ABA /Federal Routing Number) ②	Date ③
Name and Address of Institution (and Branch)(Include full address) ④		The attached list of Pools and Loan Packages is covered by this Agreement ⑤
⑥ <input type="checkbox"/> P&I Custodial Account <input type="checkbox"/> P&I Disbursement Account		

You are hereby authorized and requested to establish a custodial account to be specifically designated " ⑦ Trustee of Principal and Interest Custodial Account or Principal and Interest Disbursement Account for Various Ginnie Mae Mortgage-Backed Securities Pools or Loan Packages" issued by the Issuer that are designated to use this account as shown on the form HUD-11705 for each securities issue. All deposits made in such account shall be subject to withdrawal therefrom signed by the Issuer named below, and shall also be subject to withdrawal therefrom by the Government National Mortgage Association. No agent of the Issuer or any other party shall be authorized to withdraw funds from the account. You are also authorized to pay immediately to the Government National Mortgage Association at any time upon its written demand, which need not name a specific amount, the entire amount in such account. This demand shall be made in Ginnie Mae's sole discretion.

You are further authorized upon request of the Government National Mortgage Association to refuse to honor any instruments drawn upon such account by parties other than the Government National Mortgage Association and to change the name of the aforesaid account to "Government National Mortgage Association." In no instance shall the funds in the Principal and Interest Custodial Account or Principal and Interest Disbursement Account be used to offset funds which may have been advanced to, or on behalf of, the Issuer or any other entity by the custodian institution.

This agreement is submitted to you in duplicate. Please execute the duplicate copy of the certificate below, acknowledging the existence of this agreement, so that we may present the copy signed by you to the Government National Mortgage Association or its agent.

Name of Issuer ⑦	Issuer ID Number ⑧
Signature ⑨	Title ⑨

The undersigned institution certifies to the Government National Mortgage Association that the account above identified is in existence in this institution under account number ⑩ and agrees with the Issuer named above and the Government National Mortgage Association to honor demands on such account in the manner provided in the above agreement. The undersigned institution further agrees upon the request of the Government National Mortgage Association to refuse to honor any instruments drawn upon such account by parties other than the Government National Mortgage Association and to change the name of the aforesaid account to "Government National Mortgage Association." This demand shall be made in Ginnie Mae's sole discretion. In no instance shall the funds in the Principal and Interest Custodial Account or Principal and Interest Disbursement Account be used to offset funds which may have been advanced to, or on behalf of, the Issuer or any other entity by the custodian institution. Deposits in this institution are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, and this institution meets the requirements specified in the Ginnie Mae Mortgage-Backed Securities Guide.

Name of Institution ④	By ⑪
Title ⑫	Date ⑬

Previous editions are obsolete; replaces HUD-11709-M

form HUD-11709 (10/99)
ref. Ginnie Mae Handbook 5500.3

